

**Statement of Bill Wilson, President-elect  
National Association of Conservation Districts  
relative to  
Review of Implementation of the Conservation Title of the Farm Security and Rural  
Investment Act  
Presented to the  
United States House of Representatives  
Committee on Agriculture  
Subcommittee on Conservation, Credit, Rural Development, and Research  
June 15, 2004**

Mr. Chairman and members of the subcommittee, I am Bill Wilson, from Kinta, Oklahoma. I am President-elect of the National Association of Conservation Districts (NACD) and have served as a district official for the Haskell County Conservation District since 1980. I am also a founder and past chairman of the National Watershed Coalition.

I own and operate a 660-acre cow/calf, horse and mule ranch in East Central Oklahoma, am a registered land surveyor in both Oklahoma and Arkansas and have worked many years to restore Dust Bowl era farm fields into productive pasture land.

NACD is the nongovernment organization that represents the nation's 3,000 conservation districts and the more than 16,000 men and women – district officials – who serve on their governing boards. Conservation districts are local units of government established under state laws to carry out natural resource management programs at the local level. Conservation districts work with the Natural Resources Conservation Service (NRCS) and other agencies and organizations to provide technical and other assistance to millions of landowners and others to help them manage and protect the nation's land, water and related resources. Conservation districts provide the linkage for delivering many federal, state and other local natural resource programs at the local level.

I am here today to share with you the conservation district perspective on implementation of the conservation title of the 2002 Farm Bill. Conservation districts work shoulder-to-shoulder with NRCS every day in implementing most of the provisions of the conservation title. Districts also work closely with the Farm Service Agency in carrying out the Conservation Reserve Program (CRP) and, in fact, approve the conservation plans developed for the CRP. As we talk today about the Farm Bill conservation programs, I urge you to keep in mind that I speak on behalf of the people who work at the very point where the programs you authorized are delivered to the customers.

Throughout our history, conservation districts have strongly supported voluntary, incentive-based approaches to private working lands conservation—a theme repeated throughout the 2002 Act's conservation title. We also believe the best way to achieve conservation is through local decision-making with input from all stakeholders and customers to identify natural resource priorities and objectives.

Today, conservation district staff number more than 7,000 employees of all types, many of whom are involved in the delivery of the Farm Bill's conservation programs. State and local governments also contribute nearly a billion dollars a year to carry out our nation's private lands

conservation efforts. Private landowners, businesses and other interests add more than another billion dollars to this collaborative effort as well.

The nation's 3,000 conservation districts appreciate the leadership and vision that members of this subcommittee provided in developing the most sweeping conservation title in the history of Farm Bills. We also appreciate the administration's efforts in getting most of the program rules published.

Conservation districts have been involved with the Farm Bill conservation programs from the very outset. Many conservation districts were involved in discussions with their members of Congress when the Farm Bill was being developed, helping chart the course of the programs. A number of districts submitted comments on the rules proposed to implement them as well. On the ground, we play a big part in delivering the conservation title programs by identifying resource objectives, setting priorities, developing and approving conservation plans, and helping to leverage funds to enhance their effectiveness. Hundreds of conservation districts have also entered into Technical Service Provider agreements with NRCS to deliver additional technical assistance and other services to help producers get conservation on the land.

The funding increases enacted in the 2002 conservation title were a clear signal that the American public considers conservation a high priority investment of considerable value to taxpayers. The new funds are allowing us to not only address some of the huge backlog of conservation requests throughout the nation, but also to achieve many more of our conservation objectives nationwide.

Up to this point, with a couple of exceptions that I will discuss later, Congress has allowed, and the administration has apportioned, nearly the full level of mandatory funding authorized in the conservation title. The working lands programs—EQIP and FRPP—have received about 98 percent of the funds approved in the law. WRP, CRP, and GRP have also been reasonably funded up to this point. WHIP, on the other hand, has been seriously underfunded partly as a result of its status as a CRP/WRP “donor” program, an issue I will address later.

Overall, the changes made to these programs are working well. Administrative procedures have been streamlined and, although there are still many producers on waiting lists, many more are receiving the assistance they need to put conservation practices in place. As a result, we are seeing decreases in soil erosion, improvements in water and air quality and fish and wildlife habitat—exactly the results we expected from the conservation title. We're making substantial progress in achieving many public benefits, but there's still a lot left to be done.

That brings me to our concern that the fiscal year 2005 budget request, instead of moving forward, would slow the progress we're making. The proposal on the table would cut EQIP by nearly 20 percent, WHIP by more than 31 percent and WRP by 20 percent from their authorized levels. It also caps the CSP at an arbitrary level instead of fully funding it as a national program. Discretionary funding for the Small Watershed Rehabilitation Program is proposed at a little more than \$10 million—\$55 million below its authorized level. Its CCC authorized funding, \$55 million for FY'05, has never been used and is again proposed for zero funding.

We are troubled, too, concerning the future of the Forest Land Enhancement Program (FLEP), which is authorized at \$100 million in mandatory spending through 2007. In fiscal year 2003 \$20 million was made available for FLEP. In 2004 \$10 million was apportioned but then frozen by the White House Office of Management and Budget. The President's 2005 budget proposes to cancel the remaining \$70 million authorization. We understand others are proposing to repeal the program. During the discussions leading up to the enactment of the Farm Bill, conservation districts strongly supported FLEP's purpose to assist forestland owners improve the long-term sustainability of nonindustrial private forest lands and continue to do so. We are very much

opposed to dismantling this crucial program—especially without even allowing it a chance to succeed.

Given all the good conservation work these and the other conservation title programs are accomplishing, we believe cutting back on the funding would be a huge mistake. We strongly support continuing funding for the conservation title at the full levels authorized by the law. (See the attached chart for details on specific funding recommendations.)

Technical assistance is another issue of concern to conservation districts. After much contentious debate, the issue of whether CCC funds could be used to fully fund technical assistance for each of the mandatory Title II programs, was largely settled for all but the two acreage-based programs—CRP and WRP. Language in the Agricultural Assistance Act of 2003 (Omnibus) made it clear that technical assistance funds would be available for FRPP, EQIP, WHIP and GRP, but because of certain constraints, that language failed to include the CRP and WRP. The result is that until that issue is addressed, the only way those two programs can operate will be for the other four to “donate” funds to them to cover their technical assistance needs, thereby reducing the technical and financial assistance available to producers participating in the “donor” programs.

We do not believe this is what the bill’s managers intended. We encourage you to fix this problem as soon as possible. We ask that you support the approach provided in *The Joint Explanatory Statement of the Committee of Conference* of the 2005 Budget Resolution and strongly encourage its adoption in the final resolution.

As you examine the 2002 Farm Bill conservation programs, we urge you to carefully examine implementation of the Conservation Security Program. The CSP was introduced and enacted with much deserved fanfare. It signaled the beginning of a new era for private lands conservation with almost unlimited potential to help producers conserve, protect and better manage our natural resources. For the first time, all producers on all lands would be eligible to participate in a program that not only encourages the adoption of new conservation measures, but also would reward those who have been and continue to practice good stewardship on America’s working agricultural lands.

In January, NRCS published the long-overdue proposed rule to implement the CSP. Given the many changes that occurred after its initial enactment, we recognize the difficulties of developing a proposed rule based on frequently changing assumptions, and we compliment NRCS on navigating this process through a continuously evolving environment.

NRCS received more than 10,000 separate written responses containing over 20,000 specific comments on the proposed rule. On June 9, the agency released an interim final rule that made few changes to the proposed rule. Therefore, we continue to raise several issues that need to be addressed before NRCS issues a final rule.

First, we remain concerned that the very complex eligibility requirements, discounted stewardship payments and limited cost-share payments for conservation practice installation and maintenance are contrary to the language in the statute and will provide very little incentive for producers to apply to enroll in the program. Although the discount factor applied to the stewardship payments—formerly called base payments—was mitigated somewhat in the interim final rule and made proportional to the tier participation level, those rates are still not consistent with the statute.

We encourage NRCS to re-think these decisions and follow language in the statute with respect to stewardship (base) payments and cost-share and maintenance payments. Further, the 15 percent technical assistance level in the statute was, in part, predicated on those payments being far higher than the proposed rule allows. The decisions on those issues will have a major impact on whether or not the program is seen as rewarding good stewards and providing the incentives that make it worthwhile to participate.

The statute provides for a nationwide program under which all agricultural lands could be eligible. Since funding in 2004 is limited to \$41 million, however, NRCS has proposed to limit enrollment to producers in highly targeted watersheds who meet relatively stringent eligibility requirements. Although we do not believe this approach was intended for CSP as an uncapped program, we understand the need to develop a temporary alternative model given the limited funding in 2004. Now that the funding cap has been lifted, the rule needs to be constructed to support CSP implementation as a true nationwide program. Since interest in the CSP is still very high, we encourage decision-makers in Congress and the administration to work toward that goal swiftly.

Also with respect to the CSP, questions have arisen as to whether the 15 percent limitation on the use of CSP funds for technical assistance is adequate. We believe that by implementing the program according to the statute—with the full authorized levels for cost-share, stewardship, maintenance and enhancement payments—15 percent should be adequate. We do not believe that CSP was meant to support the development and application of engineering-intensive, animal waste structural practices that require high levels of technical assistance. In fact, the law specifically prohibits payments for construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations or purchasing or maintaining equipment or non-land-based structures that are not integral to a land-based practice. Although practices needed for the cost-share and enhancement payments would likely require a higher level of technical assistance to implement, the stewardship and maintenance payments would require very little technical assistance bringing the overall level of technical assistance funding needed to around the 15 percent range of the funds available. (Please see the attached chart and explanatory notes.)

Along with the substantial increase in conservation funding, the 2002 Farm Bill has brought about a tremendous increase in the workload of NRCS and its partners, generating a demand for many additional staff years to address that workload. Even with the additional technical assistance funding, the mechanisms are not in place to significantly increase the staff resources needed to provide the help producers need to put complex conservation practices in place.

Despite that fact, the fiscal year 2005 budget estimate provides for about 3,200 Farm Bill program staff years, 500 less than this year and far less than the total need. The Technical Service Provider initiative will help fill some of that gap, but not nearly all. And even that will take several years to reach full implementation. We encourage Congress and the Administration to consider ways in which to address this staffing shortfall.

In closing, I again would like to commend you for your vision and foresight in crafting the Farm Bill's conservation title. As we move closer to 2007 and the next Farm Bill reauthorization, it will become ever more critical to resolve the issues raised here today—CRP and WRP technical assistance, the arbitrary cap on the CSP and the need for higher staffing levels. Our performance in carrying out the 2002 conservation title and delivering on the promises of cleaner water, purer air, healthier soil and diverse and abundant fish and wildlife will be important in providing the benefits the American public expects.

We appreciate the opportunity to present our views and look forward to working with our conservation partners at USDA and our customers on the land to realize the even greater benefits the future promises.